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Paul R. Sprche

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EXAMINER

MONFELDT, SARAH M

ART UNIT

PAPER NUMBER

3692

MAIL DATE

DELIVERY MODE

09/20/2007

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

09/805,959

Applicant(s)

SPREHE, PAUL R.

Examiner

Sarah M. Monfeldt

Art Unit

3692

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 25 June 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1 and 4-17 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1, 4-17 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION
Status of Claims

1. This action is in reply to the response filed on 25 June 2007.
2. Claims 1, 4-7, 9, 17 have been amended.
3. Claims 2-3 have been canceled.
4. Claims 1, 4-17 are currently pending and have been examined.

Claim Objections

5. Claims 7-8 are objected to under 37 CFR 1.75(c) as being in improper form because a multiple dependent claim should refer to other claims in the alternative only, and/or, cannot depend from any other multiple dependent claim. See MPEP § 608.01(n). Accordingly, the claims have not been further treated on the merits.
6. Claims 1, 4-17 are objected to for at least the following reasons. The preamble of claim 1 recites "*to be distributed by said utility*". The body of the claim however never recites the distribution step. Appropriate correction is required.

Claim Rejections - 35 USC § 112

7. The following is a quotation of the second paragraph of 35 U.S.C. 112:
The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.
8. Claim 1 recites the limitation "the utility" in the preamble. There is insufficient antecedent basis for this limitation in the claim. Appropriate correction is required.
9. Claim 1 recites "relatively large quantity of gas". The term relatively is vague and indefinite is not explicitly defined by the specification. Appropriate correction is required.

Claim Rejections - 35 USC § 103

10. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:
(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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11. Claims 1, 4-6, 9-10, 14-17 are rejected under 35 U.S.C. 103(a) as being unpatentable over Chandra et al. (US 2001/0032197) in view of Johnson et al. (US 6598029), Collins (3661542), Chichilnisky (WO 00/08567), and Shao et al. (US 7191150).

Examiner's Note: The Examiner has pointed out particular references contained in the prior art of record within the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply. Applicant, in preparing the response, should consider fully the entire reference as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the Examiner.

Claim 1 –

As per claim 1, Chandra et al. disclose *a method for acquiring and distributing natural gas in relatively large quantities by a gas utility company wherein the purchase of gas from a gas producer and to be distributed by said utility is financed by an intermediary entity* having the limitations of:

- *negotiating at least one of the purchase, transport and storage cost of said gas by one of said utility and said intermediary entity; (see at least Fig. 1; paragraph [0018]; paragraph [0042])*
- *determining a quantity of gas to be purchased based at least in part on [...] gas in a geographic territory served by said utility; (see at least paragraph [0029])*
- *acquiring funds to pay for gas purchased by said intermediary entity by issuing debt instruments by said intermediary entity through financial markets; (see at least paragraphs [0043]-[0045])*
- *providing payment by said intermediary entity for said gas [...] by said intermediary entity; (see at least paragraphs [0043]-[0045])*
- *carrying out one of transporting said gas to a storage facility and identifying said gas at a predetermined storage facility; (see at least paragraphs [0043]-[0045])*
- *determining gas deliverability capacity at said storage facility [...] to provide for scheduling one of repayment and rollover of said debt instruments; (see at least paragraphs [0045]-[0047])*
- *collecting payments by said intermediary entity from said utility for gas delivered to utility customers in accordance with a sales contract between said utility and said intermediary entity; (see at least paragraphs [0046]-[0049])*

Chandra et al. do not explicitly disclose the following limitation:

- *[and] taking title to said gas by said intermediary entity;*
Johnson et al. teach taking title to said gas by said intermediary entity (see at least col. 5, ll. 47-51). It would have been obvious to one of ordinary skill in the art at the time of the invention to expand the method of Chandra et al. to include taking title as taught by Johnson et al. One of ordinary skill in the art at the time of the invention would have been motivated to expand the method of Chandra et al. in this way since in the wholesale power market buyers typically take

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title to the electric power they purchase at well-established interfaces (see at least col. 3, ll. 53-55 of Johnson et al.).

Chandra et al. do not explicitly disclose the following limitation:

- [facility] *by selected measurements of gas pressure at said storage facility* [to];

Collins teaches *selected measurements of gas pressure at said storage facility* (see at least Abstract; col. 1, ll. 15-21). It would have been obvious to one of ordinary skill in the art at the time of the invention to expand the method of Chandra et al. to include measuring a change in pressure of a storage facility as taught by Collins. One of ordinary skill in the art at the time of the invention would have been motivated to expand the method of Chandra et al. in this way since the pressure can vary from a maximum when demand is low to a minimum when demand is high (see at least Abstract of Collins).

Chandra et al. do not explicitly disclose the following limitation:

- [on] *historic demand data for* [gas];

Johnson et al. teach *historic demand data* (see at least col. 7, ll. 24-27). It would have been obvious to one of ordinary skill in the art at the time of the invention to expand the method of Chandra et al. to include collecting end user data to create period usage reports as taught by Johnson et al. One of ordinary skill in the art at the time of the invention would have been motivated to expand the method of Chandra et al. in this way since this allows providers to manage available capacity (see at least col. 7, ll. 34-35 of Johnson et al.).

Chandra et al. do not explicitly disclose the following limitation:

- *assessing the risk of receiving payment from said utility by said intermediary entity based on selected parameters of said geographic territory*;

Chichilnisky teaches *assessing the risk of receiving payment from said utility by said intermediary entity based on selected parameters of said geographic territory* (see at least page 4, lines 12-31). It would have been obvious to one of ordinary skill in the art at the time of the invention to expand the method of Chandra et al. to include the instrumentalities for insuring and hedging against risk as taught by Chichilnisky. One of ordinary skill in the art at the time of the invention would have been motivated to expand the method of Chandra et al. in this way since concerns are on the rise with large-scale risks, e.g. weather-related risks in view of increasing volatility of weather, climate changes, etc. (see at least pg. 1, ll. 6-8 of Chichilnisky).

Chandra et al. do not explicitly disclose the following limitation:

- *conducting one of repayment and rollover of debt instruments at maturities thereof by said intermediary entity utilizing funds received from said utility pursuant to said sales contract.*

Shao et al. teach *conducting one of repayment and rollover of debt instruments at maturities thereof by said intermediary entity utilizing funds received from said utility pursuant to said sales contract* (see at least col. 4, ll. 35-38). It would have been obvious to one of ordinary skill in the art at the time of the invention to expand the method of Shao et al. to evaluate individual debt holder accounts as taught by Shao et al. One of ordinary skill in the art at the time of the invention would have been motivated to expand the method of Chandra et al. in this way since a significant portion of debts that people incur are not repaid in a timely fashion (see at least col. 1, ll. 43-44 of Shao et al.).

Claim 4 –

As per claim 4, Chandra et al. in view of Johnson et al., Collins, Chichilnisky, and Shao et al. teach the method of claim 1 as described above. Johnson et al., further discloses *a method* having the limitations of:

- *said parameters are determined for subdivisions of said geographic territory defined by postal service code.* (see at least col. 4, l. 17; col. 7, ll. 24-27 of Johnson et al.).

The motivation for making this modification to the teachings of Chandra et al. is the same as that set forth above, in the rejection of Claim 1.

Claim 5 –

As per claim 5, Chandra et al. in view of Johnson et al., Collins, Chichilnisky, and Shao et al. teach the method of claim 1 as described above. Chichilnisky, further discloses *a method* having the limitations of:

- *said parameters are selected from a group consisting of population, residential housing units, retail merchant space, industrial production space, household income and sales tax receipts of said geographic territory.* (see at least pg. 1, ll. 6-8, pg. 4, ll. 12-31 of Chichilnisky)

The motivation for making this modification to the teachings of Chandra et al. is the same as that set forth above, in the rejection of Claim 1.

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Claim 6 –

As per claim 6, Chandra et al. in view of Johnson et al., Collins, Chichilnisky, and Shao et al. teach the method of claim 1 as described above. Chichilnisky, further discloses *a method* having the limitations of:

- *said parameters are selected from a group consisting of historical heating/cooling degree days, present weather forecast, and historical weather by one of an hourly and daily basis within said geographic territory. (see at least pg. 1, ll. 6-8, pg. 4, ll. 12-31 Chichilnisky)*

The motivation for making this modification to the teachings of Chandra et al. is the same as that set forth above, in the rejection of Claim 1.

Claim 9 –

As per claim 9, Chandra et al. in view of Johnson et al., Collins, Chichilnisky, and Shao et al. teach the method of claim 1 as described above. Johnson et al., further discloses *a method* having the limitations of:

- *forecasting expected cash flows from customers serviced by said utility in said geographic territory. (see at least col. 4, l. 17; col. 7, ll. 24-27 of Johnson et al.)*

The motivation for making this modification to the teachings of Chandra et al. is the same as that set forth above, in the rejection of Claim 1.

Claim 10 –

As per claim 10, Chandra et al. in view of Johnson et al., Collins, Chichilnisky, and Shao et al. teach the method of claim 9 as described above. Chandra et al. and Johnson et al., further discloses *a method* having the limitations of:

- *determining the requirements for one of issuance and reissuance of debt instruments and at least one of monetary amounts thereof and maturity dates thereof and issuing debt instruments as required to finance the purchase of said gas by said intermediary entity (see at least col. 4, l. 17; col. 7, ll. 24-27 of Johnson et al.) and corresponding to expected cash flows to said intermediary entity from said utility (see at least see at least paragraphs [0043]-[0045] of Chandra et al.).*

The motivation for making this modification to the teachings of Chandra et al. is the same as that set forth above, in the rejection of Claim 1.

Claim 14 –

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As per claim 14, Chandra et al. in view of Johnson et al., Collins, Chichilnisky, and Shao et al. teach the method of claim 1 as described above. Johnson et al., further discloses a *method* having the limitations of:

- *determining the anticipated producing rate of gas for storage in said storage facility and determining the dollar volume of debt instruments available periodically based on said rate of production and delivery to storage.* (see at least col. 4, l. 17; col. 7, ll. 24-27 of Johnson et al.)

The motivation for making this modification to the teachings of Chandra et al. is the same as that set forth above, in the rejection of Claim 1.

Claim 15 –

As per claim 15, Chandra et al. in view of Johnson et al., Collins, Chichilnisky, and Shao et al. teach the method of claim 1 as described above. Collins, further discloses a *method* having the limitations of:

- *monitoring said gas pressure and fill quantities in said storage facility to determine storage facility performance and determining the extent of rollover of debt instruments as said debt instruments reach maturity based on said storage facility performance.* (see at least Abstract of Collins)

The motivation for making this modification to the teachings of Chandra et al. is the same as that set forth above, in the rejection of Claim 1.

Claim 16 –

As per claim 16, Chandra et al. in view of Johnson et al., Collins, Chichilnisky, and Shao et al. teach the method of claim 1 as described above. Johnson et al., further discloses a *method* having the limitations of:

- *monitoring the aging of accounts receivable of said utility to determine the risk associated with said intermediary entity achieving a predetermined return on investment.* (see at least col. 4, l. 17; col. 7, ll. 24-27 of Johnson et al.)

The motivation for making this modification to the teachings of Chandra et al. is the same as that set forth above, in the rejection of Claim 1.

Claim 17 –

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As per claim 17, Chandra et al. in view of Johnson et al., Collins, Chichilnisky, and Shao et al. teach the method of claim 1 as described above. Johnson et al., further discloses a *method* having the limitations of:

- *acquiring data with respect to said utility related to historical daily temperatures in a said geographic territory to determine the parameters of expected placement of gas in storage and withdrawal of gas from storage for said utility.* (see at least pg. 1, ll. 6-8, pg. 4, ll. 12-31 of Chichilnisky)

The motivation for making this modification to the teachings of Chandra et al. is the same as that set forth above, in the rejection of Claim 1.

12. Claims 11-13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Chandra et al. in view of Johnson et al., Collins, Chichilnisky, and Shao et al., as applied to claims 1, 4-6, 9-10, 14-17 above, and further in view of Mandler et al. (US 5732400).

Claim 11 –

As per claim 11, Chandra et al. in view of Johnson et al., Collins, Chichilnisky, and Shao et al. teach the method of claim 1 as described above. Johnson et al., further discloses a *method* having the limitations of:

(original) The method set forth in Claim 1 including the steps of:

- *determining an interest rate to be one of charged to said utility and paid on said debt instruments by assessing risks of loss by said intermediary entity, said risks of loss selected from a group consisting of interest rate risk, default on repayment of said debt instruments risk, maturity schedule of debt instruments risk, injection, storage and deliverability of said gas risk, gas measurement risk, physical loss of said gas during transmission and in storage risk, business conditions risk and economic risk.*

Mandler teaches *determining an interest rate to be one of charged to said utility and paid on said debt instruments by assessing risks of loss by said intermediary entity, said risks of loss selected from a group consisting of interest rate risk, default on repayment of said debt instruments risk, maturity schedule of debt instruments risk, injection, storage and deliverability of said gas risk, gas measurement risk, physical loss of said gas during transmission and in storage risk, business conditions risk and economic risk.* It would have been obvious to one of ordinary skill in the art at the time of the invention to expand the method of Chandra et al. in view of Johnson et al., Collins, Chichilnisky, and Shao et al. to include a risk based purchase of a good wherein a third party financial clearing house makes a dynamic real time risk classification of each buyer utilizing an

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online repository of credit data, including either in-house data or data obtained from a commercial credit service, the financial clearinghouse further determines a risk based discount rate (interest rate) as a function of the buyers risk classification. as taught by Madler. One of ordinary skill in the art at the time of the invention would have been motivated to expand the method of Chandra et al. in view of Johnson et al., Collins, Chichilnisky, and Shao et al. in this way since in any financing deal, if the risk associated with a loan is greater, there must be a greater incentive to complete the deal. If there were more risk associated with a certain transaction, then one would expect to receive a greater return on their investment as compensation.

Claim 12 –

As per claim 12, Chandra et al. in view of Johnson et al., Collins, Chichilnisky, and Shao et al., Mandler teach the method of claim 11 as described above. Mandler, further discloses a *method* having the limitations of:

- *determining an interest rate to be charged to said utility based on one or more of said risks.* (see at least Column 3, lines 43-46 of Mandler)

The motivation for making this modification to the teachings of Chandra et al. in view of Johnson et al., Collins, Chichilnisky, and Shao et al. is the same as that set forth above, in the rejection of Claim 11.

Claim 13 –

As per claim 13, Chandra et al. in view of Johnson et al., Collins, Chichilnisky, and Shao et al., Mandler teach the method of claim 11 as described above. Mandler, further discloses a *method* having the limitations of:

- *assigning a weight value to selected ones of said risks and determining a composite risk value.* (see at least Column 3, lines 43-46; a risk based discount rate as a function of the buyers risk classification of Mandler)

The motivation for making this modification to the teachings of Chandra et al. in view of Johnson et al., Collins, Chichilnisky, and Shao et al. is the same as that set forth above, in the rejection of Claim 11.

Response to Arguments

13. Applicant's arguments with respect to claims 1, 4-17 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

14. A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.
15. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Sarah M. Monfeldt whose telephone number is (571)270-1833. The examiner can normally be reached on Monday-Friday 7:30am-5:00pm (EST) ALT Fridays off.
16. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached on (571)272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.
17. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Sarah M. Monfeldt
Patent Examiner, 3692



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